

and to provide for the employment of circulating capital." The ultimate capital was fixed at 50,000,000 francs (\$9,650,000), of which only half was required to be paid in. The Confederation no longer appeared as a shareholder in the final draft of the law ; but the cantons were allowed to subscribe for two-fifths of the capital and the existing banks for one-fifth in proportion to their circulation at the close of 1902. The shares not thus taken were left open to public subscription. If any shares were not taken at first, they were to become the property of the Confederation, but under a mandate that they be promptly disposed of in the market.

The government of the bank was to be exercised through the general assembly of the shareholders, but a majority of these, under the division of capital proposed, might represent the cantons and the old cantonal banks. Moreover, the council of the bank, which was to exercise general supervision over its operations, was to be made up of twenty-five members chosen by the Federal Council, and only fifteen by the shareholders. The council elects a committee of seven members, to which much of its authority is delegated, and local committees of from three to seven members each. The general directors, three in number, are appointed by the Federal Council, upon the nomination of the council of the bank. In them is vested the authority to fix the rate of discount, to name officers and to fix salaries, subject to the approval of the Federal Council.¹ There is also a commission of control named each year by the general assembly for the purpose of verifying the accounts. The question of the location of the head office of the bank, which had caused much controversy, was settled by establishing the directors

* Articles 55 and 63. M. Roulleau regards these provisions, with the absence of restrictions on loans to the Confederation and the cantons, as going too far in the direction of a purely state bank. He says that "it is necessary to trust entirely to the wisdom and discretion of the public powers to resist the temptation to have themselves accorded exaggerated credits by the bank. This is the danger of every state bank and this one departs but little from that type."— *Jfrconomiste* Europten, November 17, 1905, XXVIII., 620.